Baton Rouge, LA

FINANCIAL REPORT

December 31, 2014

CENTER FOR PLANNING EXCELLENCE, INC. Baton Rouge, LA

TABLE OF CONTENTS

December 31, 2014

	<u>Exhibit</u>	<u>Page</u>
INDEPENDENT AUDITORS' REPORT		1
FINANCIAL STATEMENTS		
Statement of Financial Position	Α	3
Statement of Activities	В	4
Statement of Cash Flows	С	5
Notes to Financial Statements	D	6
	<u>Schedule</u>	
Schedule of Functional Expenses	1	13
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	2	14
SPECIAL INDEPENDENT AUDITORS' REPORTS		
Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards		16
Schedule of Findings and Questioned Costs		18
Summary of Prior Vear Findings and Questioned Costs		19



INDEPENDENT AUDITORS' REPORT

Board of Directors Center for Planning Excellence, Inc. Baton Rouge, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of CENTER FOR PLANNING EXCELLENCE, INC. ("CPEX") (a non-profit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **CENTER FOR PLANNING EXCELLENCE**, **INC.** as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited CPEX's 2013 financial statements, and our report dated June 13, 2014, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information in Schedules 1 and 2 are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 22, 2015, on our consideration of CPEX's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering CPEX's internal control over financial reporting and compliance.

Certified Public Accountants

faulle ? Win Klee LLC

Baton Rouge, Louisiana June 22, 2015

Baton Rouge, Louisiana

STATEMENT OF FINANCIAL POSITION

December 31, 2014 (with comparative amounts for 2013)

ASSETS

		2014		2013
CURRENT ASSETS				
Cash	\$	1,007,263	\$	954,439
Certificates of deposit		103,299		103,105
Accounts receivable		152,447		128,926
Prepaids	-	9,448	_	8,133
Total current assets		1,272,457		1,194,603
PROPERTY - net	_	10,311	_	9,446
Total assets	<u>\$</u>	1,282,768	<u>\$</u>	1,204,049
LIABILITIES AND NET ASSE	rs			
CURRENT LIABILITIES .				
Accounts payable and accrued expenses	\$	25,710	\$	20,517
Deferred revenue	•	174,220	Ψ	216,685
Agency obligation payable				23,510
Total liabilities	_	199,930		260,712
NET ASSETS				
Unrestricted:				
Unrestricted		498,511		853,244
Unrestricted - Board Designated		267,865		-
Total unrestricted	_	766,376		853,244
Temporarily restricted		316,462		90,093
Total net assets		1,082,838	_	943,337
Total liabilities and net assets	<u>\$</u>	1,282,768	\$	1,204,049

Baton Rouge, Louisiana

STATEMENT OF ACTIVITIES

For the year ended December 31, 2014 (with comparative amounts for 2013)

	2014					2013		
	<u>U</u> 1	· -		emporarily Restricted Total		Total	_	Total
REVENUES								
Grants	\$	319,229	\$	528,229	\$	847,458	\$	776,160
Consulting		375,279		-		375,279		235,842
Membership		457,294		-		457,294		417,758
Event revenue		127,314		-		127,314		113,878
In-kind - use of New Orleans facility		18,480		-		18,480		-
Interest and other		2,480		<u> </u>	_	2,480		1,815
Total revenues before reclassifications		1,300,076		528,229		1,828,305		1,545,453
Net assets released from restrictions		301,860		(301,860)		<u>-</u>	_	<u>-</u> _
Total revenues and reclassifications		1,601,936		226,369		1,828,305		1,545,453
EXPENSES								
Program services:								
Planning		753,573		-		753,573		677,092
Policy		294,322				294,322		218,319
Communications		297,013		· <u>-</u>	_	297,013		108,145
Total program services		1,344,908		-		1,344,908		1,003,556
Administration		191,818		_		191,818		233,815
Fundraising		152,078		<u>-</u>		152,078		208,646
Total expenses		1,688,804		<u>-</u>		1,688,804		1,446,017
Change in net assets		(86,868)		226,369		139,501		99,436
NET ASSETS								
Beginning of year	-	853,244		90,093		943,337	_	843,901
End of year	\$	766,376	\$	316,462	\$	1,082,838	<u>\$</u>	943,337

Baton Rouge, Louisiana

STATEMENT OF CASH FLOWS

For the year ended December 31, 2014 (with comparative amounts for 2013)

	2014		2013	
CASH FLOWS FROM OPERATING ACTIVITIES				_
Increase in net assets	\$	139,501	\$	99,436
Adjustments for non-cash items:				-
Depreciation		3,280		3,440
Change in operating assets and liabilities:				
Accounts receivable and prepaid expenses		(24,836)		(95,090)
Accounts payable and accrued expenses		5,193		(6,656)
Agency obligation payable		(23,510)		_
Deferred revenue		(42,465)	_	(182,086)
Net cash provided (used) by operating activities		57,163	_	(180,956)
CASH FLOWS FROM INVESTING ACTIVITIES				
Change in certificates of deposit In an arrange in the control of		(194)		3,986
Purchase of property and equipment		(4,145)		(5,369)
Net cash used by investing activities		(4,339)		(1,383)
Increase (decrease) in cash and cash equivalents		52,824		(182,339)
CASH				
Beginning of year		954,439	_	1,136,778
End of year	\$	1,007,263	\$_	954,439

Baton Rouge, LA

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and operations

Center for Planning Excellence, Inc. ("CPEX"), a Louisiana corporation, is a not-for-profit organization established to cultivate progressive and sustainable design and planning practices that build upon the most distinctive and regionally unique traditions in Louisiana. CPEX is a resource that supports Louisiana communities with models, tools, and expertise for inclusive participatory planning and decision-making processes to help them define and realize their visions.

Basis of presentation

The financial statements of CPEX have been prepared on the accrual basis of accounting. The significant accounting policies are described below to enhance the usefulness of the financial statements.

CPEX is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Unrestricted net assets are resources that are free of donor-imposed or time restrictions and are available for use at the discretion of the governing board. Temporarily restricted net assets are resources that are limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization pursuant to those stipulations. Permanently restricted net assets are those resources whose use by the organization is limited to donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization. There are no permanently restricted net assets at December 31, 2014.

Board designated net assets are voluntarily designated for future support of personnel and operations. However, these net assets are considered unrestricted due to the absence of donor-imposed restrictions.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for the allowance for doubtful accounts, deferred revenue and depreciation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain amounts in the 2013 financial statements have been reclassified to conform to the 2014 financial statement presentation.

Fair value financial instruments

The carrying value of cash, receivables, prepaids, accounts payable, accrued expenses, and deferred revenue approximates fair value due to the short-term maturity of these instruments. None of the financial instruments are held for trading purposes.

Cash and cash equivalents

For purposes of the statements of cash flows, CPEX considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. At December 31, 2014, CPEX had no cash equivalents.

Certificates of deposit

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), Fair Value Measurements (ASC 820), establishes a framework for measuring fair value which provides a fair value hierarchy that prioritizes the inputs (sources of pricing information) to valuation techniques used to measure fair value. The highest priority is given to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that CPEX has the ability to access. CPEX does not have any Level 1 assets at December 31, 2014.

Level 2 – Inputs including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs that are unobservable and significant to the fair value measurement. CPEX does not have any Level 3 assets at December 31, 2014.

Certificates of deposit are recorded at cost, which approximates fair market value using level 2 inputs.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts receivable and revenue recognition

Accounts receivable are recorded at cost, net of an allowance for doubtful accounts. Management believes that all receivables are collectible at December 31, 2014; therefore, no allowance for doubtful accounts was recorded. At December 31, 2014, receivables outstanding for longer than 90 days totaled \$250. CPEX does not require collateral to secure receivables.

Property and depreciation

Equipment is recorded at cost, or if donated, at the approximate fair value at the date of donation. Depreciation is recorded using the straight-line method over the estimated useful life of the asset. The estimated useful lives for equipment range from three to ten years. Additions, renewals, and improvements that extend the life of assets are capitalized. Maintenance and repairs are expensed as incurred.

Deferred revenue

CPEX has service agreements that apply to programs whose duration extends over several years. CPEX typically receives a payment in advance of performing the contractual services at the execution of the agreement. Revenue is recognized on these contracts as services are performed and expenses are incurred, and in accordance with the terms of the agreement. These agreements are considered exchange transactions for accounting purposes. At December 31, 2014, deferred revenue on service contracts was \$174,220.

Grant revenue recognition

Grants that represent exchange transactions are recorded as revenue when expenses are incurred since such arrangements are on a cost-reimbursement basis.

In-kind services and rent

A substantial number of unpaid volunteers give their time to assist CPEX in the performance of its programs and projects. The value of donated time is not reflected in these statements since such services do not meet the requirements for recognition under generally accepted accounting principles.

Additionally, CPEX began using a facility in New Orleans that was donated by a supporter in June 2014. The value of this office space has been recognized at the fair market value of the benefit received, which was approximately \$18,480 for 2014.

Contributions and expenses

Contributions received are measured at their fair values and are reported as an increase in net assets. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefit plans

CPEX sponsors a simple individual retirement account plan for all eligible employees electing to establish an account. CPEX provides matching contributions of a maximum of 3% of eligible compensation. Employees are eligible after one year of service. Participants are fully vested in contributions made to their individual retirement account. Contributions to the retirement plan were approximately \$23,000 for 2014.

Vacation leave

Vacation leave is earned at varying rates for two to four weeks depending on length of service. Vacation expires on the anniversary of the employee's hire date. Amounts related to such vacation leave have been accrued accordingly.

Income taxes

CPEX is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. CPEX follows FASB ASC 740-10, Accounting for Uncertainty in Income Taxes. Management of CPEX believes it has no material uncertain tax positions and, accordingly, it has not recognized any liability for unrecognized and uncertain tax positions. CPEX's open audit periods are 2011 through 2014.

Functional expenses

The costs of providing programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain expenses have been allocated among programs and supporting services on the following basis: (1) personnel expenses are allocated based on an estimate of employee time spent on each function, and (2) other costs that cannot be directly attributed to a particular function are allocated based on employee time. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of CPEX.

Subsequent events

In preparing these financial statements, CPEX has evaluated events and transactions for potential recognition or disclosure through the date of the auditors' report, which was the date the financial statements were available to be issued.

NOTE 2 - CERTIFICATES OF DEPOSIT

At December 31, 2014, CPEX held certificates of deposits (CD) with a market value of \$103,299. Interest earnings are reinvested into the CD; fair market value approximates the cost of the investment.

NOTE 3 - PROPERTY

Property at December 31, 2014, consists of the following:

	Service Lives	Amount		
Computer and video equipment Furniture and fixtures	3-5 years 10 years	\$	79,157 6,424	
Less: accumulated depreciation			85,581 (75,270)	
		<u>\$</u>	10,311	

Depreciation expense was \$3,280 for 2014.

NOTE 4 - AGENCY OBLIGATION PAYABLE

CPEX was the fiscal agent for funds of an organization for certain activities related to flood and water management. Funds were released by CPEX in 2014 as the projects terminated.

NOTE 5 - NET ASSETS

Temporarily restricted net assets at December 31, 2014, totaled \$316,462. During 2014, CPEX expended \$301,860 of its temporarily restricted net assets for their designated purposes.

During 2014, changes in temporarily restricted net assets were as follows:

	Be	ginning of								
Funding Sources	Year		Year		Increases		Decreases		End of Year	
OSBR EBRMFA	\$	20,000	\$	-	\$	(20,000)	\$	-		
OSBR Chase		14,507		-		(14,507)		-		
Chase		18,034		-		(18,034)		-		
Junior League		2,500		-		(2,500)		-		
GNOF Coastal		35,052		101,229		(105,726)		30,555		
Chase 2014		-		77,000		(10,192)		66,808		
Ford 2014		-		200,000		(127,995)		72,005		
Blue Moon			_	150,000	_	(2,906)		147,094		
	\$	90,093	\$	528,229	\$	(301,860)	\$	316,462		

(continued)

NOTE 5 - NET ASSETS (CONTINUED)

The contributions received above are designated to fund a specific purpose. When the related purpose restriction is satisfied, these temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

NOTE 6 - CONCENTRATIONS OF CREDIT RISK

Financial instruments which subject CPEX to concentrations of credit risk consist primarily of cash, certificates of deposit and receivables. At various times during 2014, cash on deposit with four banking institutions exceeded the \$250,000 insured amount by the Federal Deposit Insurance Corporation. Management believes the risk is limited.

Concentrations of credit risk for receivables are generally diversified due to the large number of entities and individuals composing CPEX's programs and membership base.

NOTE 7 - LEASE OBLIGATION

CPEX leased an office facility under an operating lease with a two-year term, which expires on May 31, 2016. During 2014, rent expense was \$38,500. The future lease commitment is \$38,500 and \$16,045 for the years ending December 31, 2015, and 2016, respectively.

SUPPLEMENTARY INFORMATION

Baton Rouge, Louisiana

SCHEDULE OF FUNCTIONAL EXPENSES

For the year ended December 31, 2014 (with comparative amounts for 2013)

P	rα	gı	aı	m
•				

		Communi-					To	tals
	Planning	Policy	cations	Total	Administration	Fundraising	2014	2013
Salaries and payroll taxes	\$ 554,518	\$ 162,495	\$ 187,969	\$ 904,982	\$ 93,156	\$ 142,249	\$ 1,140,387	\$ 964,177
Professional services	133,264	103,357	17,962	254,583	300	7,700	262,583	274,224
Travel and meetings	35,338	16,678	41,248	93,264	13,143	1,090	107,497	84,372
Occupancy	-	-	-	-	56,982	-	56,982	38,503
Printing, postage and shipping	14,231	6,358	23,783	44,372	4,061	-	48,433	22,649
Communications	8,761	3,395	15,994	28,150	5,336	-	33,486	18,115
Equipment rental and maintenance	1,082	628	8,827	10,537	4,648	-	15,185	12,156
Office supplies	1,367	375	805	2,547	5,048	-	7,595	8,153
Insurance	3,885	937	105	4,927	1,208	1,039	7,174	7,315
Dues and subscriptions	675	99	320	1,094	1,930	-	3,024	5,730
Predevelopment	-	-	-	-	-		-	4,168
Depreciation	-	-	-	-	3,280	_	3,280	3,440
Service charges	452			452	2,726		3,178	3,015
	\$ 753,573	\$ 294,322	\$ 297,013	\$ 1,344,908	\$ 191,818	\$ 152,078	<u>\$ 1,688,804</u>	<u>\$ 1,446,017</u>

Baton Rouge, LA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD

December 31, 2014

Agency Head: Elizabeth Thomas

Purpose	Amount	
Salary	\$ 15	50,000
Benefits - insurance	1	1,343
Benefits - retirement		4,500
Benefits - Parking		780
Cell phone reimbursement		1,200
Car allowance		0
Vehicle provided by government		0
Per diem		0
Reimbursements		462
Travei		1,050
Registration fees		1,657
Conference travel		4,091
Continuing professional education		435
Housing		0
Unvouchered expenses		0
Special meals		189
	<u>\$</u> 17	75,707

Special Independent Auditors' Report

CENTER FOR PLANNING EXCELLENCE, INC. Baton Rouge, Louisiana

December 31, 2014



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors Center for Planning Excellence, Inc. Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the CENTER FOR PLANNING EXCELLENCE, INC. (CPEX) (a non-profit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 22, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CPEX's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CPEX's internal control. Accordingly, we do not express an opinion on the effectiveness of CPEX's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of CPEX's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CPEX's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CPEX's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CPEX's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the information of the Board of Directors, management, state and federal granting agencies, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Certified Public Accountants

Baton Rouge, Louisiana June 22, 2015

CENTER FOR PLANNING EXCELLENCE, INC. Baton Rouge, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended December 31, 2014

There were no current year findings.

Baton Rouge, Louisiana

SUMMARY OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the year ended December 31, 2014

There were no prior year findings.